GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:4360
ANSWERED ON:12.12.2016
Steel Production and Consumption
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Will the Minister of STEEL be pleased to state:

(a) whether the consumption of steel has increased in the country during each of the last three years;
(b) if so, the details of total demand, production, consumption and import/export of steel during each of the last three years along with the increase in terms of percentage registered in this regard;
(c) whether the steel industry especially small and medium plants are facing the insufficient supply of raw materials especially iron ores and if so, the details thereof;
(d) whether the Government proposes to increase duty on import of steel and export of iron ore and if so, the details thereof and if not, the reasons therefor; and
(e) the steps taken/being taken by the Government to prevent the illegal export of iron ore and to ensure sufficient supply of raw materials including iron ore to domestic steel products?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI VISHNU DEO SAI)

(a) Yes, Madam.

(b) The details of production, consumption (demand) and imports of finished steel during each of the last three years and the corresponding change over same period last year, are given below:-

(Figures in Million tonnes)

Year	Production for sale of total finished steel in India	Total finished steel consumption in India	Total finished steel imports in India		Total finished steel exports outside India	
	Production for sale (mt.)	Change over last year (%)	Real Consumption (mt.)	Change Over last year %	Import (mt.)	Change over last Year %	Export (mt.)	Change over last Year %
2013-14	87.67	7.3	74.09	0.8	5.45	-31.3	5.98	11.36
2014-15	92.16	5.1	76.99	3.9	9.32	71.0	5.59	-6.5
2015-16	90.98	-1.3	81.52	5.9	11.71	25.6	4.08	-27

Source : Joint Plant Committee (JPC)

(c) Production of iron ore in the country is more than the requirement of domestic Steel Industry.

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(d) With a view to provide level playing field to domestic steel industry from the surge in cheap imports, Government, inter-alia, imposed various trade remedial measures such as MIP, Anti-Dumping Duty and Safeguard Duty which have led to a considerable reduction in imports and improvement in price realisation.

Currently, there is 30% export duty on iron ore lumps & fines (Fe content >58%) imposed by government in 2011 which may be reviewed if the growth prospects of Steel Industry so demand.

(e) Government, in order to prevent illegal export of iron ore, banned iron ore mining in Karnataka and Goa via Hon'ble Supreme Court's ruling in 2011 and 2012 respectively, the impact of which led to the lower exports from the country. To ensure that adequate Iron ore is available in India for value addition in downstream industries, Government has also:-

â€¢ Maintained the export duty on iron ore of Fe content above 58% to 30%.
â€¢ Capped the iron ore production in various states.
â€¢ Railway freight on iron ore for domestic consumption has been reduced with reduction of Distance Based Charge (DBC), and development of slurry pipelines and coastal shipping is being looked into to reduce the cost of transportation of Iron ore from production centers to consumption points.

To ensure sufficient supply of raw materials including iron ore to domestic steelmakers, the government has taken following steps in recent times:-

â€¢ Enacted MMDR Amendment Act, 2015 for increased availability of iron ore in the country.
â€¢ Enacted Coal Mines (Special Provisions) Act, 2015 for increased availability of coal.
â€¢ Notified National Mineral Exploration Policy to facilitate comprehensive exploration.
â€¢ Increased the emphasis on beneficiation and agglomeration of iron ore.

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